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**CUMBERLAND HOSPITALS AND RADIOLOGY SERVICE PROVIDERS
AGREE TO PAY \$ 1.6 MILLION TO SETTLE CHARGES OF FALSE CLAIMS**

BALTIMORE, MD.--United States Attorney Thomas M. DiBiagio announced today that Western Maryland Health System, Sacred Heart Hospital of the Sisters of Charity, Memorial Hospital and Medical Center, and three radiology practices, all located in Cumberland, Maryland, will pay the United States \$1.6 million dollars to resolve allegations that they submitted false claims to the government, specifically the Centers for Medicare and Medicaid Services (CMS).

Western Maryland Health System operates Sacred Heart Hospital and Memorial Hospital. Sacred Heart Hospital was part of the Daughters of Charity National Health System network of health care providers until 1999 when it became part of Ascension Health System national network. The radiology practices are Summit Radiology, Centre Radiology, and Tri-State Radiology, P.C., and Myung Sup Kim, M.D., individually.

The government's investigation focused on radiology services provided to Medicare beneficiaries from January 1996 through March 2002. During that time, Western Maryland Health System and certain radiologists performed and billed Medicare for various radiological exams and

procedures that had not been ordered by treating physicians and were not medically necessary, as required for Medicare reimbursement. Generally, the defendants performed and billed Medicare for more extensive diagnostic radiology examinations than had been ordered by the treating physicians, including ultrasound studies and CT scans. In many instances, the more extensive studies were not medically necessary. As a result, the defendants were reimbursed by Medicare at a higher rate than they were entitled to receive. Moreover, Sacred Heart Hospital and Summit Radiology routinely performed screening mammograms on patients, yet billed Medicare for diagnostic mammograms.

Additionally, the defendants, in particular Sacred Heart Hospital and Myung Sup Kim, M.D., performed and billed Medicare for percutaneous transluminal angioplasty (PTA) and stenting of carotid arteries even though they were never entitled to Medicare reimbursement for the procedures. These procedures have always been considered to be investigational by the Food and Drug Administration and were not medically necessary. Moreover, the defendants performed and billed Medicare for renal and abdominal angiograms that were not ordered by treating physicians and were not medically necessary. These “drive-by angiography” studies were performed during the course of carotid angiography to detect carotid stenosis. Thereafter, the defendants performed and billed Medicare for percutaneous transluminal angioplasty (PTA) and stenting of renal arteries that were not ordered by treating physicians, were not medically necessary, and were not reimbursable under Medicare.

The defendants have denied the allegations.

In addition to the monetary settlement, the defendants have agreed to enter into corporate integrity agreements (CIAs) with the Office of the Inspector General, Department of Health and Human Services. The CIAs impose compliance measures and ongoing monitoring to ensure the

integrity of claims to federal health care programs filed by the defendants.

The lawsuit was originally filed on behalf of the United States by Keith S. Pumroy, M.D., a Pennsylvania resident, under the qui tam provisions of the False Claims Act that allow private parties to sue companies and individuals that have submitted false claims to the federal government. The United States intervened in the civil action on September 8, 2003. The False Claims Act provides that the United States may recover treble damages and penalties up to \$11,000 per false claim for the knowing submission of false claims to the federal government.

The investigation was handled by Assistant U.S. Attorney Roann Nichols, Auditor Mary G. Hammond, and Senior Counsel Andrew Penn of the Office of the Inspector General for the Department of Health and Human Services.